

Article - Tax - Property

[\[Previous\]](#)[\[Next\]](#)

§2–222.

(a) (1) In this section the following words have the meanings indicated.

(2) “Base year” means the taxable year immediately before the taxable year in which property first becomes qualified property under this section.

(3) (i) “Base year value” means the value of the property used to determine the assessment on which the property tax on real property was imposed for the base year.

(ii) “Base year value” does not include any new real property that was first assessed in the base year.

(4) “BRAC Revitalization and Incentive Zone” has the meaning stated in § 5–1301 of the Economic Development Article.

(5) “BRAC Revitalization and Incentive Zone Tax Rate” means the property tax rate of the political subdivision where a BRAC Revitalization and Incentive Zone is located for the taxable year when the Secretary of Commerce first designates the area as a BRAC Revitalization and Incentive Zone.

(6) “Eligible assessment” means the difference between the base year value and the actual value as determined by the Department for the applicable taxable year.

(7) “Property tax increment” means the property tax attributable to the eligible assessment of qualified property.

(8) “Qualified property” means real property that is:

(i) located in a BRAC Revitalization and Incentive Zone that is designated under Title 5, Subtitle 13 of the Economic Development Article; and

(ii) in one of the categories of commercial or residential property that the Department of Commerce has determined, in consultation with the Base Realignment and Closure Subcabinet and as provided in regulations adopted by the Department of Commerce, enhance the economic development of the BRAC Revitalization and Incentive Zone.

(9) “Tax increment financing bonds” means bonds issued:

(i) by a county or municipal corporation under Title 12, Subtitle 2 of the Economic Development Article; or

(ii) by Baltimore City under Article II, § 62 of the Charter of Baltimore City.

(b) (1) The amounts received by a political subdivision under this section may be used only for the purposes provided in § 5–1306 of the Economic Development Article.

(2) Subject to subsections (c) and (f) of this section, for each fiscal year for a period of 10 consecutive fiscal years beginning in fiscal 2010, the State shall provide to each political subdivision in which a BRAC Revitalization and Incentive Zone has been established an amount equal to:

(i) the State property tax increment on the qualified properties in the BRAC Revitalization and Incentive Zone; and

(ii) one-half of the political subdivision’s property tax increment on qualified properties, determined using the BRAC Revitalization and Incentive Zone Tax Rate for the political subdivision.

(c) (1) The total amount paid to all political subdivisions for any fiscal year under this section may not exceed the lesser of:

(i) the amount appropriated for the purpose of this section for that fiscal year in the State budget as approved by the General Assembly; or

(ii) \$5,000,000.

(2) If the total amount to be paid to all political subdivisions as determined under subsection (b)(2) of this section without regard to the limitation under paragraph (1) of this subsection exceeds the limitation under paragraph (1) of this subsection, each political subdivision shall receive an amount equal to the product of multiplying the amount determined for that political subdivision under subsection (b)(2) of this section times a fraction:

(i) the numerator of which is the limitation under paragraph (1) of this subsection; and

(ii) the denominator of which is the total amount to be paid to all subdivisions as determined under subsection (b)(2) of this section without regard to the limitation under paragraph (1) of this subsection.

(d) (1) After a BRAC Revitalization and Incentive Zone is designated by the Secretary of Commerce, on or before February 1 of each year, the appropriate governing body shall certify to the Department:

(i) any real property in the BRAC Revitalization and Incentive Zone that is qualified property for the next taxable year; and

(ii) the date that the real property became qualified property.

(2) (i) On or before March 1 of each year, the Department shall calculate the amount determined for each political subdivision under subsection (b)(2) of this section for the next fiscal year.

(ii) The Comptroller shall pay the amounts due the political subdivisions under this section quarterly.

(e) Any amount provided under this section does not limit or otherwise affect any authority of a political subdivision under any other provision of law to pledge any other assets or revenues towards the repayment of tax increment financing bonds.

(f) (1) This subsection applies only to a political subdivision that is authorized under § 7-211.3 of this article to enter into a payment in lieu of tax agreement with a private developer of federal enclave property.

(2) The State may not provide amounts under this section to a political subdivision until, in the judgment of the Secretary of Commerce, the local jurisdiction has entered into good-faith negotiations for a payment in lieu of tax agreement with all private developers of federal enclave property.

(g) The Department and the Department of Commerce jointly shall adopt regulations to carry out the provisions of this section and to specify criteria and procedures for application, approval, and monitoring the eligibility for the amounts under this section.

[\[Previous\]](#)[\[Next\]](#)